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September 23, 2003

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APPLICATION

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P.O. Box 94275 Baton Rouge, LA 70804-4275

RE:

GG-1 Sand, Reservoir B

LL Sand, Reservoir A MM Zone, Reservoir A

Chauvin Field

Terrebonne Parish, Louisiana

Dear Commissioner Welsh:

Application is hereby made on behalf of **PETROQUEST ENERGY**, **L.L.C.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of Orders pertaining to the following matters related to the **GG-1 Sand**, **Reservoir B**, the **LL Sand**, **Reservoir A**, and the **MM Zone**, **Reservoir A**, in the Chauvin Field, Terrebonne Parish, Louisiana, to-wit:

- To establish rules and regulations and create a single drilling and production unit each for the exploration for and production of gas and condensate from the GG-1 Sand, Reservoir B, the LL Sand, Reservoir A, and the MM Zone, Reservoir A, such units to be designated GG-1 RB SUA, LL RA SUA and MM RA SUA;
- 2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the proposed unit, with each tract sharing in unit production on a surface acreage basis of participation;

- 3. To designate a unit well for each of the proposed units;
- 4. To designate PetroQuest Energy, L.L.C. as the unit operator for each of the proposed units;
- 5. To provide that any future wells drilled to these reservoirs should be located in accordance with the spacing provisions of Statewide Order No. 29-E;
- 6. To provide that the Commissioner of Conservation should be authorized to reclassify these reservoirs, by supplemental order without the necessity of a public hearing if the producing characteristics of the reservoir change and evidence to justify such reclassification is submitted to and accepted by the Commissioner of Conservation; and
- 7. To consider such other matters as may be appropriate and justified by the evidence presented at the hearing.

The GG-1 Sand in the Chauvin Field, Terrebonne Parish, Louisiana, was previously defined by Order 490-H, effective September 25, 1985.

The LL Sand, Reservoir A, in the Chauvin Field, Terrebonne Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 13,205 feet and 13,290 feet (electric log measurements) in the Shell Oil Company - Peters No. 10 Well, located in Section 71, Township 18 South, Range 18 East, Terrebonne Parish, Louisiana, and is further defined as being that sand encountered between the depths of 12,543 feet and 12,788 feet (electric log measurements) in the Huffco Petroleum Corp. - Shore Oil Corp. No. 1 Well (sidetrack #3), located in Section 64, Township 18 South, Range 18 East, Terrebonne Parish, Louisiana.

The MM Zone, Reservoir A, in the Chauvin Field, Terrebonne Parish, Louisiana, is hereby defined as being that gas and condensate bearing sand encountered between the depths of 12,930 feet and 13,437 feet (electric log measurements) in the Huffco Petroleum Corp. - Shore Oil Corp. No. 1 Well (sidetrack #3), located in Section 64, Township 18 South, Range 18 East, Terrebonne Parish, Louisiana.

The pre-application conference tentatively scheduled for 2:00 p.m., on Thursday, October 2, 2003, <u>WILL NOT BE HELD</u>, as it was not requested within the delays provided for by the Rules of Procedure; therefore, no opposition to this Application at the hearing is anticipated.

Pertinent data relating to the proposed application can be obtained, <u>AT THE COST OF THE REQUESTING PARTY</u>, by contacting **W. H. Robbins & Associates, 140 Rue Beauregard, Suite 100, Lafayette, Louisiana, (337)232-5004.**

There is attached hereto and made a part hereof plats outlining the proposed units and a list of the names and addresses of the interested parties to whom this unitization proposal is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished ONLY to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, the list of parties will be provided to any party requesting a copy of it. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed a check in the amount of \$2,265.00, made payable to the Louisiana Office of Conservation, in payment of the required hearing application fee.

Very truly yours,

RANDALL C. SØÑ

RCS/elg/bad Enclosures

cc: Mr. Richard Hudson, District Manager

Office of Conservation

All Interested Owners, Interested Parties and Represented Parties

P.S. To all Interested Owners, Represented Parties and Interested Parties:

You may have received this Application even though your property is not included in the proposed unit, because the Revised Rules of Procedure require us to attempt to also notify everyone owning an interest in the area "proximate to" the proposed units.

Your receipt of this Application does not require you to take any action. It is meant to notify you of these proceedings so that you have the opportunity to participate if you so desire.





